

City of Detroit

CITY COUNCIL

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TO: Daniel A. Baxter, Director
Election Commission

FROM: Irvin Corley, Jr., Fiscal Analysis Director **24.**

DATE: May 5, 2006

RE: 2006-2007 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Interim Chief Financial Officer
Pamela Scales, Budget Department Director
Tanya Stoudemire, Budget Department Team Leader
Kandia Milton, Mayor's Office

Department of Elections (71)

FY 2006-2007 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Elections is a Legislative General Fund Agency charged with conducting all local, county, state, federal, and Citizen's Council elections, as well as providing voter registration to all eligible residents of the City of Detroit.

The recommended 2006-2007 budgeted appropriations for this department total \$7.8 million, which represents a \$2.4 million (23.5%) decrease over the current fiscal year budget of \$10.2 million. The budgeted net tax cost for fiscal year 2006-2007 is \$7.7 million, \$2.4 million (23.8%) less than the fiscal year 2005-2006 budget of \$10.1 million.

2005-2006 Surplus/(Deficit)

The Administration anticipates an overall surplus of \$814,355 for the Department of Elections for fiscal year 2005-2006. This surplus is the result of reductions in salary expenditures due to vacant positions within this department.

Overtime

The Mayor's Proposed Budget for 2006-2007 includes \$256,863 for overtime in the Department of Elections. This is a decrease of \$40,398 (13.6%) from the \$297,261 budgeted for fiscal year 2005-2006. As of March 31, 2006, the actual overtime cost is \$410,992, which is \$113,731 over the budgeted overtime for fiscal year 2005-2006.

Personnel and Turnover Savings

There is no turnover saving identified in this department in the fiscal year 2006-2007.

The Mayor is recommending a net decrease of 23 positions, which includes the elimination of 11 vacancies, 5 layoffs, and 8 transfers to other departments. One position was added.

The transfers out of the department are detailed as follows:

Information Technology Services (ITS):

Dept Info Technology Manager (1)
Elections Specialist (1)
Into Tech Input/Output Supv (1)
Microcomputer Support Specialist (1)
Office Automation Support Assistant (1)
Principal Clerk (1)

General Services Department:

Building Operator Supervisor (1)
Building Operator I (1)

Following is information by appropriation comparing budgeted FY 2005-06 positions, March 31, 2006 filled positions and FY 2006-07 recommended positions.

Appropriation/Program	Budgeted	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommended
	<u>FY 2005-06</u>	<u>3/31/2006</u>	<u>FY 2006-07</u>	<u>05/06 Budget</u>	<u>Turnover</u>
Election Commission (71):					
710010 Administration	11	10	8	(1)	\$ -
710011 Computer Systems Support	7	7	0	0	\$ -
710012 Registration	48	32	39	(16)	\$ -
710014 Tech. Svc. & Equip. Support	7	4	4	(3)	\$ -
710016 Training	9	7	9	(2)	\$ -
710028 Tech. Service & Supply Support	7	6	6	(1)	\$ -
00181 Conduct of Elections	89	66	66	(23)	\$ -
71XXXX Leave of Absence	0	(1)	0	(1)	\$ -
71XXXX Unmatched Positions	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>\$ -</u>
TOTAL	<u>89</u>	<u>66</u>	<u>66</u>	<u>(23)</u>	<u>\$ -</u>

Significant Changes in Funding by Appropriation

Appro. Program

00181	Conduct of Elections	This appropriation decreases by \$2.4 million, which consists primarily of the following: a \$734,022 decrease in salaries associated with a net decrease of 23 positions in this department, a \$560,598 decrease in Professional/Contractual Services associated with the transfer of Computer Systems Support operations to the Information Technology Services Department, a \$438,672 decrease in Operating Services, a \$298,779 decrease in Operating Supplies due to new voting machines being funded by the State, a \$287,119 decrease in Fixed Charges as a result of principal and interest payments on the old voting machines being paid off during fiscal year 2005-2006, and a \$36,523 decrease in Employee Benefits.
06557	Citizens District Council Block Grant	This block grant appropriation totals \$57,904 for fiscal year 2006-2007. It was not funded in fiscal year 2005-2006.

Elections (71)

Budgeted Professional and Contractual Services by Activity	<u>FY 2005-06</u> <u>Budget</u>	<u>FY 2006-07</u> <u>Recommended</u>	<u>Increase</u> <u>(Decrease)</u>
Conduct of Elections	<u>\$ 3,155,917</u>	<u>\$ 2,595,319</u>	<u>\$ (560,598)</u>
Total	<u>\$ 3,155,917</u>	<u>\$ 2,595,319</u>	<u>\$ (560,598)</u>

Significant Revenue Changes by Appropriation and Source

Appro. Program

00181/ 06557	Conduct of Elections	Revenue increases by \$59,904 due to a increase in Community Development Block Grants that were not funded in the prior year. The department did not request this grant funding in fiscal year 2005-2006.
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Issues and Questions

1. Despite the large decrease in budgeted salaries, why hasn't the budgeted appropriations for Employee Benefits decreased significantly?
2. What is the reason for such a large increase in the target for routine cancellations?
3. Why is actual overtime almost double the budgeted amount as of March 31, 2006? Overtime is almost doubled the budgeted amount in fiscal year 2004-2005 as well.
4. How will the department meet its goals and initiatives (i.e. aggressive voter outreach programs, new voting systems) with an appropriation decrease of \$2.4 million?
5. How will the department meet its goals and initiatives with a net decrease of 23 positions?

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